

## Communication, source of management improvement through human capital interaction

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**Abstract:** The key to success is given by a concerned and honest communication as it represents both the essence of social behavior and relationships between people and the foundation of individual and entrepreneurial success. However, organizational communication constitutes leverage the success of any management system by the fact that is present in all actions undertaken by the organization. Practice shows that the basis for the competitiveness of an organization is effective management of human capital. The success of a company is in individual performance leading to a generalized victory. The level of employee performance is dependent on both the stimulus, training and the implementation of tasks.

**Keywords:** organizational communication, performance, human capital, motivation

Interpersonal communication is a field of study with a much greater importance than that of studying other areas of human behavior. Penetration and understanding and facilitate open communication system knowledge and personal way to those others, being able to clarify the hierarchy of people in the society according to certain criteria of value.

History and development of studying interpersonal communication system has undergone several major periods, roughly demarcated: Classical period (500 BC - 400 AD); Middle Ages and the Renaissance period (400 - 1600); modern period (1600 - 1900); Add to this, of course, the contemporary period. (Voiculescu, 1991)

In the nineteenth century literature in communication it is quite poor. Still keeping the contribution in the sphere of transmitting the message - such as that of Henry Innes, whose book "The rhetorical Class Book" (1834) - or within deontology, for example, the book of John Stewart Mill, "On Liberty of Thought and Discussion" (1859) or that of Herbert Spencer, "Philosophy of Style" (1871).

The evolution theory of human communication system thus through a period of over 2,000 years to get into this century with a number of unknown and yet most essential: how emotions act on communication; report that forms between reason and behavior; motivations and their interdependencies communication. All these topics unsearchable are still waiting to be solved, for a better understanding of themselves and for rational actions take precedence over the primary manifestations of human behavior.

Based on the human capital theory, initiated by representatives of the new school in Chicago in the second half of the twentieth century, under the slogan "Man the most precious wealth of the country", the paper aims to highlight the importance of communication through interaction of the human capital leading to more competitive management.

Human capital is not a one-dimensional concept, but means something different to each stakeholder individually. If the business world is the economic value of human capital skills and abilities an employee policy-makers who sees human capital as an engine of economic growth. Traditionally, of the human capital is considered in terms of investment in education and training, but in recent years, health (including the physical and mental health) has come to be seen as a fundamental component of the human capital. Everything looked in social and economic context of the company which actually determines the value of the human capital.

Jacob Mincer uses the term "human capital" in the title of an article which he published in 1958, "Investing in human capital and personal income distribution" in The Journal of Political Economy (Mincer, 1958). He considers human capital as having a dual role: on one hand the stock of skills, product training and education / training in the workplace, human capital is a factor of production alongside physical capital and, on the other hand, stock of knowledge as a source of innovation that leads to economic growth.

Gary S. Becker, promoters the human capital on the line, puts the first show that the individual is not simply the ultimate consumer, but a true manufacturer, which through education and training, investing in human capital practice. Human capital theory is the fund's thought Becker, enabling it to address the economic outlook both normal consumption (food, clothing, leisure, etc.) and personal values determinants of human behavior (love, hate, altruism, etc.). In his view, the individual is a real firm, using scarce resources (employment

and household family members) and that labor produces rewarding and organization that requires investment and calculations based on relative prices, the cost of the time etc. (Schultz et alii, 1961)

The concept of "human capital" is an old one, Adam Smith is the one that shows how important people skills acquired as a result of education and division of labor, skills that give wealth a nation.

The term of communication is derived from the Latin "communicare" which means "to agree, to share, to put together, to mix"<sup>1</sup>. Constantin Noica links word communication with the word Eucharist or Communion to delineate the human communication between machines. While the machines transmit data and receive signals as people in the communication process agree sensations, emotions, opinions and facts. Thus, communication is more than just "make known, to let you know, be about" as defined in the Explanatory Dictionary of the Romanian language.

Communication can be defined as a transactional process through which people transfer energy, emotions, feelings and changing the meanings<sup>2</sup>. Its goal is to make the other party feel, think or behave in a certain way. For communication to be able to meet the target, must meet the following conditions: the message delivered to be heard, the received message to be understood, the message understood to be accepted, the message agreed to have the expected impact, to provoke a reaction, a change of attitude, thinking or behavior.

During the communication, the transmitter of the reflected scheme - transmission channel - receiver, the information does not circulate perfect and suffer the following losses:

- a loss of weight - determines that only a part of the message is received and understood by the receiver;
- a loss of quality - after its message may prejudice the interpretation skips the received message.

Communication is our context, the process by which a system or an organization is established, maintained and modified by certain signals which act according to common rules.

In an organization, communication is a foothold in achieving common goals while having a crucial role in existence, preservation and development of interpersonal relationships. Therefore, group activities are impossible without the existence deployed regardless of the communication and the organization operates, the communication is included in all activities. Thus, the authors have encountered obstacles in conceptual delimitation of organizational communication process and to determine its role in an organization.

Therefore, they were identified and unanimously accepted five roles associated with this process:

- management functions without communication feature are operational lose because any strategic process is based on messaging. Thus, communication becomes essential for achieving organizational success while being highest manager responsibility;
- is achieved through communication and personal relationships are kept within the collective that aimed messaging for accurate self-assessments against the requirements of managerial and organizational culture;
- feedback helps to correct personal and general results of the institution;
- the communication is situated at the motivation process. The correct identification, use and knowledge of various categories of needs and performance incentives lead to the development of labor;
- communication helps create and maintain effective relationships with both sincere and external environment and within the organization between managers and staff located at the lower hierarchical levels and / or between staff on the same hierarchical level.

„The overall objective of communication in an organization is to determine a certain inner change and facilitate adaptation, both inner and outer, to this change. This objective is to influence activities in a manner that positively affect the company's situation". (Bălănică, Comunicare în afaceri). Organizational communication creates and maintains personality organization and ensures an unique identity to competition.

Internal communication includes all communication documents concluded within an organization, using the special media from one institution to another. Regarding the formal, internal communications includes managerial communication on the presence of the manager within the communication process. In terms of informal, internal communication is associated with communication within the staff, specifically between employees at the same level or hierarchical in different departments.

The main roles of internal communications are of:

- to present different financial results and to inform the basis of decisions;
- to convey different information and to clarify the duties;
- to explain new projects, ideas;
- to motivate cooperation and involvement in achieving the objectives

In the upward salary communication the information flow is propagated in reverse, from the base to lime organization through messages addressed to staff and managers at the highest levels. This type of communication channel plays useful information for management control and decision making. "Less institutionalized, this information often follows direct informal paths (verbal exchange, letter, manifest) or indirect (rumors, gossips)" (Radu, 2003).

Horizontal communication occurs between departments located in the management system at different hierarchical levels. This allows the aggregation of staff and creating that sense of belonging that lead indirectly to improving the production process.

The practical realization of the communication process is preceded by choosing the most appropriate means of communication, each means having a succession of specific characteristics that determines the compatibility of each depending on the message content, internal culture and receiver characteristics.

Choosing the right media is when taking into account the internal culture of the institution. Thus, "looking for a better correspondence between the means employed and the receiver whom the message is intended compel the information officers to inspire a step type marketing and segment employees according to the receptivity place that means written, oral or audiovisual work" (Radu, 2003).

### **1. Defining the performance evaluation process in order to effectively utilize human resources**

The performance of the company is the result of the performance of staff. Performance evaluation called and evaluations of the results being defined more broadly as "any act or some type of cognitive activity by an evaluator assessed or estimated performance of a person in relation to the performance standards set and representation his mental with his own value system or his own thinking on the obtained performance." (Lefter et alii, 2012)

Performance evaluation is the most important activity of human resources management at the same time the process of determining the effectiveness of personnel in an organization to the objectives and standards. The evaluation becomes a management control to achieve organizational goals.

Evaluation work carried out at a frequency too high can cause a negative effect on the company because by constantly checking staff will feel lack of confidence. It is recommended that frequent evaluation activities to be replaced by communication.

By rating:

- is determined the performance of the progress achieved and areas of improvement thereof;
- there is a measurement of the achievement of performance expectations, and skills or behaviors that caused their implementation;
- carry out a dialogue between the employee and his superior, and if there are divergent views regarding the final marks, the decision belongs to the superior.

In the remit of human resources the managerial practice demonstrates that performance evaluation is important both in the recruitment and selection of staff and in the decisions of remuneration, promotion and dismissal of employees. Thus, within organizations arose two systems of the performance evaluation: formal and informal assessment evaluation.

Informal evaluation is the relationship between manager and staff daily being carried out by examination or simple conversation. One of the concerns of managers is to assess and supervise subordinates, so in making decisions they rely mostly on intuition and evidence of performance. The biggest disadvantage of this form of evaluation is the high degree of subjectivity.

Formal evaluation also called systematic evaluation requires performance evaluation within the organization in a planned formal methodologies to provide informed as fair, accurate and in compliance with the legislation. This form of assessment is specific to medium and large having the advantage of a continuous assessment, regular and systematic performance and higher degree of objectivity.

The results of the performance evaluation of employees can be affected by various errors of meeting. Usually they belong to the evaluators, but also are influenced by the methods of assessment used. The most common errors of assessment are:

- Tolerance or excessive requirements;
- Mediocrity of the subordinates in terms of performance achieved;
- Changing standards used by an employee to another;
- Overestimating an assessment criterion considered decisive and ignoring others;
- Demonstration performance of recently completed and barring important past events;
- Subjectivity of the evaluator.

### **2. Job satisfaction of employees. The relationship between motivation and performance**

Job satisfaction, in modern approach to human resources management occupies an important place as one of the essential components of which depends on the overall efficiency of labor. In the specialty literature, motivational strategies play a crucial market in the existence of the organization. Also, on the notion of job satisfaction have been made numerous studies that were aimed at finding a universal definition in this regard „job satisfaction is defined from the psychosociological point of view the result of the difference between what the individual gets as rewards of the work and what he estimated he should get. When there is a tie between two rewards, results a state of complete satisfaction." (Radu, 2003)

On relationship satisfaction - performance, Romanian specialist Zlate outlined the following conclusions:

- satisfaction, although linked to performance, is no longer conceived as its only cause, but only one of its possible causes;

- The relationship between satisfaction and performance is not constant, but varies according to a number of conditions (complexity of the task, routinely character, social, technological conditions etc.);
- It is considered that, in a climate of tension and conflict cannot achieve substantial and sustainable increases in any of satisfaction or performance, so creating destines organizational climate is one of the most important tasks of managers;
- Looking for new methods of stimulation leading to a concurrent increase both satisfaction and performance "(Lefter et alii, 2012).

In the relationship between motivation and performance, the latter is influenced by motivation being the result produced by it. In the circuit motivation - performance may occur over motivation and under motivation and creates damage in terms of performance. It must be determined the motivational optimum, meaning that critical point where there is diminishing results. According to research on the motivational optimum carried out in 1981 by Bellanger, there is a triangle of motivation. The three peaks are self-confidence, legitimacy and identification. When there is a balance between the three, motivational optimum forms.

Studies on the effect of job satisfaction on productivity are ongoing, and researchers realize for that purpose the correlation between performance systems and satisfaction. The most interesting tentative theoretical approach to relationship satisfaction - performance belongs to March & Simon. Specifically, their model highlights the consequences from adverse effects of a low degree of satisfaction on organizational performance. Also worth mentioning is that their model is only valid provided that employee satisfaction is below forecast. The proposed model of the two has the following assumptions:

- The lower the satisfaction will be, the more intense search behavior of activity programs to replace old ones;
- The more intense search behavior will be, the higher the expected value of the awards;
- The greater expected value of the rewards will be, the higher the satisfaction will be;
- The higher level of aspirations will be, the lower the satisfaction obtained will be." (Radu, 2003)

### **3. Creating a favorable image**

The image of the organization is built on harmony between performance and communication, this is an equation in which a term cannot miss. In a normal economy, poor performance cannot be "sanitized" long and good performance does not automatically bring a favorable perspective. (Iacob, 2012)

Business Communication contributes to:

- The operationalization of management functions. Reception and forwarding of messages cannot be designed without adequate communication.
- Creating and maintaining relationships between employees.
- Improve overall organizational performance and individual feedback.
- Identifying and knowledge of the needs of employees.
- Proper use of different categories of employee behavior toward ordering incentives for performance.
- The establishment of fair relations, mutual understanding and acceptance between bosses and subordinates.

To better understand how to manage communication must know the types of communication in a company:

- Communication upward - that transmit messages containing: information, suggestions, problems to solve.
- Communication downward - that transmit messages relating to the implementation of strategies: goals, objectives, rules, decisions, practices, procedures, responsibilities.
- Horizontal communication - that transmit messages that aim: coordination of activities, departmental problem solving, achieving interdependence, the fulfillment of tasks. (Nistor, 2006)

### **Conclusion**

Human communication is a process by which two or more people try, through the use of symbols, to exert influence on others consciously or unconsciously, in order to meet their own interests.

We can see that the activities undertaken by a firm basis is the existence of an effective corporate communication and association as a means of concentrating efforts as it forms in all hierarchical levels. We also concluded that man is a vital resource and inexhaustible for the contemporary world and therefore training, evaluation and compensation of employees are decisive elements in determining the profitability of a business that lead simultaneously to the efficient use of labor.

The performance evaluation is a difficult one and subject to controversy, but nevertheless it is one absolutely necessary for an organization. Therefore, for it to be as relevant and its results should be correctly interpreted it takes both the use of innovative techniques evaluations and the usable rationality and common sense in determining the principles for assessing the performance levels the used procedures.

In conclusion, the advantages of the evaluation process will be used to their true potential only if its results are properly handled. Thus, some ideas are emerging in order to improve the conduct of the evaluation meeting. These include:

The idea that in conducting the evaluation process for the manager to count both competences afforded those results within the team and the way in which we obtained those results;

According to another principle, to an appraiser must count only the degree of fulfillment of the contractual obligation job-specific employee. He detrimental subjective assessment based on the manager's opinion is attempted view of its working style of each employee;

One last idea suggests both that the benefits of the assessment must be accepted and understood by both sides of the process and that it increases productivity within society by improving employee skills.

Finally, experience shows that underlying competitiveness of an organization is effective management of human capital. The success of a company is in individual performance leading to a generalized victory. The level of employee performance is dependent on both the stimulus, training and the implementation of tasks.

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